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TOWNSEND and TOWNSEND and CREW LLP

By: Andrea Beck
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PATENT
Docket No.: 021331-000710US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:	Confirmation No.: 9283
Raymond Wellman, et al.	Examiner: Christopher P. Bruenjes
Application No.: 10/765,707	Art Unit: 1772
Filed: January 26, 2004	SECOND DECLARATION OF Jeff Shea PURSUANT TO 37 C.F.R. § 1.132
For: SLIP COLLAR	

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

I, Jeff Shea, reside at 55 Western Drive, Richmond, CA and declare as follows:

1. I am a co-inventor on the present patent application.

2. I am the President of ATS Products, Inc ("ATS"). As President of ATS, I am responsible for all ATS products including the H-Collar™ line of joint products, and the duct assemblies in which they are used, that embody and are built according claimed embodiments of the present patent application (e.g., FIG. 4).

3. This Second Declaration supplements my declaration of commercial success previously submitted on June 28, 2003, ("the First Shea Declaration").

4. ATS manufactures and sells parts for fire safe duct work to the semiconductor industry. Although I do not have hard sales data with regard to the sales of all duct manufacturers, I believe that ATS fiber reinforced plastic duct and joint products account for less than 10-20% of all sales to this market sector. I further believe that the other 80% - 90% of the market is occupied by approximately 20-30 other manufacturers who provide various types of coated metal ducts. I believe that ATS does not occupy a dominate market position in the fire safe duct market and that there are other options for fire safe joints and duct assemblies that are available.

5. The H-Collar™ was introduced in 2003 to allow contractors to install ATS duct without the need to do exterior wrapping of joints. Connecting joints in an expeditious and vapor-tight manner is of critical importance in semiconductor duct installations where cost and protection of personnel, processes and equipment are major concerns. Time and labor in ensuring a vapor-tight seal at each joint are major portions of the cost of duct installation. Use of the H-Collar™ in duct assemblies provides reliable joints that are easier and faster to install than other previous and contemporary techniques in such critical installations.

6. As noted in the First Shea Declaration, since its introduction, ATS has sold more than 12,000 H-Collars™. Sales have grown from only 279 units in 2003, to 946 units in 2004, to 5,921 units in 2005, and 5,197 units in 2006. (See attached Chart A). These sales accompany the sales of fiber reinforced duct and other products necessary to install duct assemblies in semiconductor and other facilities that require light weight, yet chemical and fire resistant exhaust duct. This increase is in contrast to the decline in sales of ATS's old slip collar joint products, which represent a more traditional approach to duct joints. Between 2004 and 2006, sales of the old slip collar dropped from approximately 11,500 units annually to merely 440 units annually. (See Chart A).

7. ATS has experienced an increase in H-Collar™ sales despite the availability of more dominate and traditional joining methods, similar to ATS's old slip

collar (an example of which is shown as element 60 in U.S. Patent No. 5,961,154), that use less expensive collars but require significantly more time and labor. I believe that this shows that consumers recognize that the H-Collar™ has technical advantages over ATS's old slip collar.

8. I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the above-referenced application or any patent issuing thereon.

Jeff Shea

10/27/07
Date

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Comparison of H-Collar and Old Slip Collar Unit Sales
Chart A